

Message Text

CONFIDENTIAL

PAGE 01 OECD P 26648 01 OF 03 132013Z

67

ACTION EUR-12

INFO OCT-01 ISO-00 AF-08 ARA-06 EA-07 NEA-10 IO-13 ACDA-07

PA-01 PRS-01 L-03 FEA-01 SSO-00 NSCE-00 INRE-00

USIE-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04

SIL-01 OMB-01 EURE-00 SS-15 NSC-05 /125 W

----- 092391

O R 131952Z SEP 76

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 3340

INFO ALL OECD CAPITALS 0419

AMEMBASSY ALGIERS

AMEMBASSY JIDDA

AMEMBASSY BUENOS AIRES

AMEMBASSY BRASILIA

AMEMBASSY YAOUNDE

AMEMBASSY NEW DELHI

AMEMBASSY JAKARTA

USINT BAGHDAD

AMEMBASSY TEHRAN

AMEMBASSY KINGSTON

AMEMBASSY MEXICO CITY

AMEMBASSY LAGOS

AMEMBASSY ISLAMABAD

AMEMBASSY LIMA

AMEMBASSY CAIRO

AMEMBASSY CARACAS

AMEMBASSY BELGRADE

AMEMBASSY LUSAKA

AMEMBASSY KINSHASA

USMISSION USUN

C O N F I D E N T I A L SECTION 01 OF 03 OECD PARIS 26648

E.O. 11652: GDS

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OECD P 26648 01 OF 03 132013Z

TAGS: OECD, EGEN, CIEC, ETRD, EFIN, EAID, ENRG

SUBJECT: CIEC: RESOLUTION OF DISAGREEMENTS ON
WORK PROGRAM

1. SUMMARY: AFTER A THREE-DAY NEGOTIATION, G-8 AND G-19 AGREED AT 9:00 P.M. SEPTEMBER 11 ON A TEXT RESOLVING DIFFERENCES OVER LANGUAGE OF CIEC WORK PROGRAM REFERENCES TO DEBT AND TO PURCHASING POWER OF EXPORT-EARNINGS. SEPTELS CONTAIN TEXTS OF AGREED LANGUAGE, AND OF U.S. STATEMENT SUBMITTED TO CONFERENCE IN CONNECTION WITH THE AGREED LANGUAGE. CIEC COMMISSIONS WILL RESUME MEETINGS ON TUESDAY, SEPTEMBER 14. END SUMMARY.

2. AFTER PROTRACTED AND INTENSE NEGOTIATION, G-8 AND G-19 REACHED AGREEMENT SEPTEMBER 11 ON A TEXT COVERING THE TREATMENT OF THE TWO KEY ISSUES OF DEBT AND PURCHASING POWER IN THE WORK PROGRAMS OF THE COMMISSIONS FOR THE SECOND HALF OF THE YEAR. FINAL TEXT IS LARGELY ALONG THE LINES OF THAT PUT FORWARD BY CANADIAN CO-CHAIRMAN IN LATE AUGUST. IT CONTAINS A CHAPEAU, WHICH APPLIES TO ALL OF THE WORK PROGRAMS, NOT JUST SECTIONS ON DEBT AND PURCHASING POWER, WHICH STATES EXPLICITLY THAT THE WORK PROGRAMS DO NOT PRE-DETERMINE THE OUTCOME OF THE WORK TO BE DONE.

3. THE LANGUAGE ON DEBT AND INDEXATION MAINTAINS A DISTINCTION BETWEEN A COMMITMENT TO CONSIDER PROBLEMS AND PROPOSALS IN THE COMMISSIONS AND ANY COMMITMENT TO AGREE TO FORMULATE PROPOSALS TO PUT TO MINISTERS IN DECEMBER OR TO AGREE TO A SPECIFIC CONCLUSION. THIS WAS THE INITIAL POLITICAL ISSUE FOR THE U.S. AND THE REST OF THE G-8. ONLY IN THE CASE OF THE FINANCIAL COMMISSION WORK ON FEATURES FOR DEBT REORGANIZATION OPERATIONS IS THE G-8 COMMITTED TO FORMULATE PROPOSALS -- A COMMITMENT WHICH WE HAD PREVIOUSLY MADE IN CONTEXT OF NAIROBI RESOLUTION ON DEBT.

4. WE WERE ABLE TO OBTAIN IMPROVEMENTS IN THE ORIGINAL CANADIAN TEXTS ON THEIR MAJOR POINTS: (1) THE DESCRIPTION OF THE DEVELOPMENT COMMISSION'S WORK
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 OECD P 26648 01 OF 03 132013Z

PROGRAM ON DEBT WAS BROADENED TO MAKE CLEAR THAT ITS FOCUS AND PROPOSALS CONSIDERED WOULD BE NOT JUST IN THE ALLEVIATION OF DEBT BURDENS BUT ALSO TAKE ACCOUNT OF THE BROADER ASPECTS OF LDC DEVELOPMENT NEEDS AND

STRUCTURAL FINANCIAL PROBLEMS; AND (2) INSERTION OF THE PHRASE "CONSIDER PROPOSALS FOR" AS THE QUALIFYING PHRASE FOR THE CONSIDERATION OF THE PURCHASING POWER

ISSUE BY BOTH THE ENERGY AND RAW MATERIALS
COMMISSIONS.

5. FACT THAT COMPROMISE WAS REACHED ALONG LINES WHICH
SAFEGUARDS ESSENCE OF THE POSITION TAKEN BY THE G-8 IN
JULY (I.E., NO NEW PRECOMMITMENTS IN THE WORK PROGRAMS
TO A SPECIFIC OUTCOME ON INDIVIDUAL ISSUES) INDICATES
THAT G-19 HAD MADE POLITICAL DECISION THAT IT WANTED
CIEC TO RESUME. HOWEVER, G-19 ACCEPTANCE OF THE COM-
PROMISE TEXT WAS APPARENTLY ATTAINED ONLY WITH
GREATEST DIFFICULTY BY G-19 CO-CHAIRMAN PEREZ GUERRERO.
IN FACT, HE MADE NUMEROUS PROPOSALS FOR FURTHER MODI-
FICATION IN DEBT PROPOSALS AS LATE AS SEPTEMBER 11
WHICH INDICATED THAT SOME OF G-19 WERE STILL TRYING TO

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 OECD P 26648 02 OF 03 132024Z

67

ACTION EUR-12

INFO OCT-01 ISO-00 AF-08 ARA-06 EA-07 NEA-10 IO-13 ACDA-07

PA-01 PRS-01 L-03 FEA-01 SSO-00 NSCE-00 INRE-00

USIE-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04

SIL-01 OMB-01 EURE-00 SS-15 NSC-05 /125 W

----- 092471

OR 131952Z SEP 76

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 3341

INFO ALL OECD CAPITALS 0420

AMEMBASSY ALGIERS

AMEMBASSY JIDDA

AMEMBASSY BUENOS AIRES

AMEMBASSY BRASILIA

AMEMBASSY YAOUNDE

AMEMBASSY NEW DELHI

AMEMBASSY JAKARTA

USINT BAGHDAD

AMEMBASSY TEHRAN
AMEMBASSY KINGSTON
AMEMBASSY MEXICO CITY
AMEMBASSY LAGOS
AMEMBASSY ISLAMABAD
AMEMBASSY LIMA
AMEMBASSY CAIRO
AMEMBASSY CARACAS
AMEMBASSY BELGRADE
AMEMBASSY LUSAKA
AMEMBASSY KINSHASA
USMISSION USUN

CONFIDENTIAL SECTION 02 OF 03 OECD PARIS 26648

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OECD P 26648 02 OF 03 132024Z

OBTAIN G-8 PRECOMMITMENT ON KEY ASPECTS OF THIS ISSUE.
THESE WERE ALL REJECTED BY U.S. AND REST OF G-8, AND
THE COMPROMISE TEXT WAS EVENTUALLY ACCEPTED.

6. INDIVIDUAL G-19 DELEGATIONS HAVE MADE THE POINT TO US PRIVATELY THAT THEIR DECISION TO DRAW BACK FROM THEIR EXTREME STANCE OF JULY AND PERMIT CIEC TO RESUME WAS BASED ON A GAMBLE THAT DC'S ARE SERIOUS ABOUT THE DIALOGUE AND THAT CIEC MAY PRODUCE AT LEAST A MARGINALLY SUCCESSFUL RESULT. THEY CONCEDED ON THEIR DEMANDS IN THE END BUT THEY FEEL THAT THE CRISIS OVER THE WORK PROGRAMS HAS FOCUSED POLITICAL-LEVEL ATTENTION ON CIEC IN DC CAPITALS AND PLACED US ON NOTICE THAT VISIBLE PROGRESS ON KEY ISSUES WILL BE ESSENTIAL IF CIEC IS TO CONCLUDE SMOOTHLY. THEY WILL BE CONTINUALLY REASSESSING THE DEGREE OF DC COMMITMENT TO SERIOUS ACTION OVER THE COURSE OF THE FALL, AND WE CAN PROBABLY EXPECT MORE JULY-LIKE CRISES OVER THE NEXT FEW MONTHS AS THE G-19 RATCHETS UP POLITICAL PRESSURE IN PREPARATION FOR THE DECEMBER MINISTERIAL.

7. THE UNCERTAINTY OVER THE STATUS OF CIEC HAS LEFT THE G-19 SOMEWHAT UNPREPARED FOR THIS WEEK'S COMMISSION MEETINGS. THERE ARE ALREADY SOME SIGNALS THAT THE G-19 MIGHT WISH TO SHORTEN THIS SESSION TO FRIDAY OR SATURDAY RATHER THAN STAYING ON THROUGH SEPTEMBER 20 AS ORIGINALLY SCHEDULED AND PROVIDE FOR SOME EXTENSION OF THE OCTOBER 20-27 SESSION WHEN THEY WILL BE PRESENTING MOST OF THEIR "PROPOSALS" AS CALLED FOR IN THE WORK PROGRAM.

8. THE CANADIANS HAVE AGAIN PERFORMED WITH STRENGTH OVER LAST SEVERAL DAYS. THEY CLEARLY MADE POLITICAL JUDGMENT AFTER THEIR JULY-AUGUST CONSULTATIONS WITH G-8 GOVERNMENTS THAT THEY HAD A MANDATE TO PUT CIEC BACK ON THE TRACKS. THEY DESCRIBED THEIR TASK AS THAT OF FINDING A "BALANCE OF DISSATISFACTION" BETWEEN THE TWO GROUPS. IN THEIR VIEW, THE CHAPEAU PROVIDED THE BASIC POLITICAL PROTECTION THE G-8 REQUIRED AND

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 OECD P 26648 02 OF 03 132024Z

THUS THE TEXT OF THE PARAGRAPHS ON DEBT AND PURCHASING POWER, WHILE NOT CONTRADICTING THE CHAPEAU, HAD TO

GIVE SUFFICIENT HOMAGE TO G-19 LANGUAGE TO PERMIT THEM TO WITHDRAW FROM THE POLITICAL POSITION THEY HAD TAKEN IN JULY.

9. IT WAS CLEAR FROM THE BEGINNING OF THE PARIS PHASE OF THE NEGOTIATIONS ON SEPTEMBER 9 THAT THE CANADIAN TACTIC WAS TO OBTAIN G-19 AGREEMENT TO A TEXT WHICH INCLUDED THE CHAPEAU AND THEN PUT IT TO THE G-8 ON A TAKE IT OR LEAVE IT BASIS. THEY CAREFULLY RESISTED PUTTING THEMSELVES IN A POSITION OF NEGOTIATING WITHIN THE G-8 ON THE ONE HAND AND WITH THE G-19 ON THE OTHER. BY TAKING VIGOROUS POSITIONS WITHIN THE G-8 AND BY WORKING INTENSIVELY WITH THE CANADIANS ON A BILATERAL BASIS (WHERE THEY WERE QUITE OPEN TO SUGGESTIONS), WE WERE ABLE TO OBTAIN SOME IMPROVEMENT IN THE TEXT AND THUS REDUCE THE RISK THAT, HAVING SOLD IT TO THE G-19, THE CANADIANS WOULD FIND IT REJECTED WITHIN THE G-8.

10. THE EC HAD GREAT DIFFICULTY PULLING TOGETHER A

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 OECD P 26648 03 OF 03 132019Z

67

ACTION EUR-12

INFO OCT-01 ISO-00 AF-08 ARA-06 EA-07 NEA-10 IO-13 ACDA-07

PA-01 PRS-01 L-03 FEA-01 SSO-00 NSCE-00 INRE-00

USIE-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04

SIL-01 OMB-01 SS-15 NSC-05 /125 W

----- 092485

O R 131952Z SEP 76

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 3342

INFO ALL OECD CAPITALS 0421

AMEMBASSY ALGIERS

AMEMBASSY JIDDA

AMEMBASSY BUENOS AIRES

AMEMBASSY BRASILIA

AMEMBASSY YAOUNDE

AMEMBASSY NEW DELHI

AMEMBASSY JAKARTA

USINT BAGHDAD

AMEMBASSY TEHRAN

AMEMBASSY KINGSTON

AMEMBASSY MEXICO CITY

AMEMBASSY LAGOS

AMEMBASSY ISLAMABAD

AMEMBASSY LIMA

AMEMBASSY CAIRO

AMEMBASSY CARACAS

AMEMBASSY BELGRADE

AMEMBASSY LUSAKA

AMEMBASSY KINSHASA

USMISSION USUN

C O N F I D E N T I A L SECTION 03 OF 03 OECD PARIS 26648

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OECD P 26648 03 OF 03 132019Z

JOINT VIEW ON THE INTRICACIES OF THE DEBT ISSUE AND,
IN THE END, RELIED LARGEMLY ON THE U.S. TO SEE THAT THE
ESSENCE OF THE POSITION WAS PRESERVED. THE JAPANESE
AND OTHERS OF THE G-8 WERE BASICALLY PASSIVE, WANTING
CIEC TO GO FORWARD, SUPPORTING OUR VIEW THAT IT SHOULD
ONLY GO FORWARD UNDER CONDITIONS ACCEPTABLE TO THE

DC'S, BUT BEING WILLING TO LIVE WITH WHATEVER THE U.S.
AND EC COULD ACCEPT.

11. PEREZ-GUERRERO HAS APPARENTLY ACHIEVED SOME RESTORATION OF HIS POSITION AND INFLUENCE WITHIN THE G-19 -- IN CONTRAST TO JULY WHEN HE VIRTUALLY DROPPED OUT OF SIGHT. HOWEVER, HE IS STILL HEAVILY DEPENDENT ON SUPPORT FROM A NUMBER OF KEY G-19 DELEGATIONS (ALGERIA, IRAN, MEXICO, ETC.), AND WE CAN PROBABLY EXPECT MUCH MORE EVIDENCE OF INCREASED INFLUENCE BY THE G-19 RADICALS OVER THE NEXT FEW MONTHS.

12. SEPTELS PROVIDE TEXTS OF LANGUAGE RESOLVING WORK PROGRAM DIFFERENCES AND OF UNILATERAL U.S. STATEMENT

IN CONNECTION WITH THIS LANGUAGE. THESE TEXTS WILL BE INCORPORATED INTO A CONFERENCE DOCUMENT INTRODUCED BY CO-CHAIRMEN'S MINUTE, FOLLOWED BY WORK PROGRAM AGREED IN JULY (WITH LANGUAGE AGREED SEPT. 11 ADDED IN APPROPRIATE PLACES) AND THEN PRESENTING UNILATERAL STATEMENTS THAT DELEGATIONS MAY MAKE.

TURNER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENT DRAFT, MEETINGS, MEETING REPORTS, INTERNATIONAL ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976OECDP26648
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760345-0278
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760967/aaaacfau.tel
Line Count: 353
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 22 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 APR 2004 by CollinP0>; APPROVED <11 AUG 2004 by BoyleJA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIEC: RESOLUTION OF DISAGREEMENTS ON WORK PROGRAM
TAGS: EGEN, ETRD, EFIN, EAID, ENRG, OECD, CIEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006